



Lamoille FiberNet Communications Union District Policy Conflict of Interest

Approved: July 14, 2020

Revised: June 21, 2021

Article 1. Authority

Under the authority granted in 24 V.S.A. § 2291(20) and 30 VSA 3054(a)(19), the Governing Board of the Lamoille FiberNet Communications Union District (the "District") hereby adopts the following policy concerning conflicts of interest.

Article 2. Purpose

The purpose of this policy is to ensure that the business of the District will be conducted in such a way that no public official, agent or employee of the District will gain a personal or financial advantage from their work for the District and so that the public trust in District officials will be preserved. It is also the intent of this policy to ensure that all decisions made by District officials are based on the best interest of the District and its members.

Article 3. Definitions

For the purposes of this policy, the following definitions shall apply:

A. Conflict of interest means any of the following:

1. A direct or indirect significant personal interest of an elected or appointed District official, their spouse, household member, child, stepchild, parent, grandparent, grandchild, sibling, aunt or uncle, sibling by marriage, business associate, employer or employee, in the outcome of a cause, proceeding, application or any other matter pending before the District official or before the Governing Board or any committee established by the Governing Board;
2. A direct or indirect significant financial interest of a District official, their spouse, household member, child, stepchild, parent, grandparent, grandchild, sibling, aunt or uncle, sibling by marriage, business associate, employer or employee, in the outcome of a cause, proceeding, application or any other matter pending before the District official or before the Governing Board or any committee established by the Governing Board;

3. A situation in which a District official has publicly displayed a prejudgment of the merits of a particular quasi-judicial proceeding. This shall not apply to a District official's particular political views or general opinion on a given issue; and
 4. A situation in which a District official has not disclosed ex parte communications with a party in a quasi-judicial proceeding.
- B. Emergency means an imminent threat or peril to the public health, safety or welfare.
 - C. Official means any elected or appointed officer, employee or agent of the District.
 - D. Official act or action means any legislative, administrative or judicial act performed by any elected or appointed District official while acting on behalf of the District.
 - E. Governing Board includes the Governing Board of the District and any board, council, commission or committee established by the Governing Board.
 - F. Public interest means an interest of the community as a whole, conferred generally upon all residents and members of the District.
 - G. Quasi-judicial proceeding means a case in which the legal rights of one or more persons who are granted party status are adjudicated, which is conducted in such a way that all parties have opportunities to present evidence and to cross-examine witnesses presented by other parties, which results in a written decision, the result of which is appealable by a party to a higher authority.

Article 4. Disqualification

- A. Except as provided in Article 5 below, a District official shall not participate in any official action if they have a conflict of interest in the matter under consideration.
- B. A District official shall not personally, or through any member of their household, business associate, employer or employee, represent, appear for, or negotiate in a private capacity on behalf of any person or organization in a cause, proceeding, application or other matter pending before the Governing Board or any committee thereof.
- C. In the case of a District official who is an appointee, the Governing Board shall have the authority to order that official to recuse themselves from the matter.
- D. District officials shall not accept gifts or other offerings for personal gain by virtue of their office that are not available to the public in general.
- E. District officials shall not use resources not available to the general public, including but

not limited to staff time, equipment, supplies, or facilities for private gain or personal purposes.

- F. The complete confidentiality of business information must be respected at all times. District officials are prohibited from knowingly disclosing such information to those who do not have the need to know, or whose interest may be adverse to Lamoille FiberNet both inside or outside the organization; or in any way using such information for personal gain or advancement; or to the detriment of Lamoille FiberNet; or to individually conduct negotiations or make contacts or inquiries on behalf of Lamoille FiberNet, or to permit the appearance of doing so, unless officially designated to do so.
- G. District officials are prohibited from acquiring or having a direct financial interest in any property which Lamoille FiberNet acquires or a direct financial interest in a supplier, contractor, consultant, or other entity with which Lamoille FiberNet does business. Any other interest in or relationship with an outside organization or individual having business dealings with Lamoille FiberNet is prohibited if this interest or relationship might tend to impair the ability of the District officials to serve the best interests of Lamoille FiberNet
- H. A conflict of interest shall not exist solely by virtue of a person described in Article 3(A)(1) possessing an ownership or beneficial interest in a security or obligation issued by any entity whose liabilities have been assumed by the District.
- I. A conflict of interest shall not exist solely by virtue of a person described in Article 3(A)(1) contracting for or not contracting for the services provided to ordinary consumers by the District or representing a town that has or does not receive in whole or in part the services provided by the District.
- J. Every District official of Lamoille FiberNet is expected to avoid situations which might be construed as conflicts of interest since it is not feasible in a policy statement such as this to describe all the circumstances and conditions that might be or have the potential of being considered conflicts of interest.

Article 5. Disclosure

A District official who has reason to believe that they, or any person described in Article 3(A)(1) has or may have a conflict of interest but believes that they are able to act fairly, objectively and in the public interest in spite of an actual, perceived or potential conflict of interest shall, prior to participating in any official action on the matter under consideration, disclose in open session to the Governing Board or committee the nature of the potential conflict of interest and why they believe that they are able to act in the matter fairly, objectively and in the public interest. The District official's participation in considering and acting upon the matter before the Governing Board or a committee thereof may be approved upon a Governing Board finding in the record that the District official's continued participation is fair to the District and its members and will not result in an improper or undue benefit accruing to the District official.

Article 6. Recusal

- A. Except as provided in Article 5 above, a District official shall recuse themselves from any matter in which they have a conflict of interest, pursuant to the following:
1. Any person may request that a District official recuse themselves due to a conflict of interest. Such request shall not constitute a requirement that the District official recuse themselves but shall be referred to the Governing Board for adjudication and resolution as set out in Article 5.
 2. A District official who has recused themselves from a proceeding shall not sit with the Governing Board or committee thereof, deliberate with the Governing Board or committee thereof, or participate in that proceeding as a Governing Board or committee member in any capacity.
 3. If a previously unknown conflict is discovered, the Governing Board may take evidence pertaining to the conflict and, if appropriate, adjourn to a short deliberative session to address the conflict; and
 4. The Governing Board may adjourn the proceedings to a time certain if, after a recusal, it may not be possible to take action through the concurrence of a majority of the Governing Board. The Governing Board may then resume the proceeding with sufficient members present.

In the case of a District official who is an appointee, the Governing Board shall have the authority to order the District official to recuse him or herself from the matter.

Article 7. Responsibility

- A. The Governing Board Chair shall ensure the enforcement of this policy.
- B. Actions considered inconsistent with these policies are to be reported to the entire board.
- C. Each Board Member must disclose to the entire board any situation which, in their opinion, violates, may violate, or could appear to violate the intent of this policy.

Article 8. Enforcement

Progressive Consequences for Failure to Follow the Conflict-of-Interest Procedures.

In cases where the conflict-of-interest procedures in Articles 5 and 6 have not been followed, the Governing Board may take progressive action to discipline an offending District official. In the discipline of a District official, the Governing Board shall follow these steps in order:

- A. The Governing Board Chair shall meet informally, in private, with the District official to discuss possible conflict of interest violation.
- B. The Governing Board may meet to discuss the conduct of the District official. Executive session may be used for such discussion, in accordance with I V.S.A. § 313(4). The District official may request that this meeting occur in public. If appropriate, the Governing Board may admonish the offending District official in private.
- C. If the Governing Board decides that further action is warranted, the Governing Board may admonish the offending District official at an open meeting and reflect this action in the minutes of the meeting. The District official shall be given the opportunity to respond to the admonishment.
- D. Upon majority vote, the Governing Board may request that the offending District official resign from the Governing Board, or that this appointment to the Governing Board be revoked by the legislative body of their appointing authority.

Article 9. Exception

The recusal provisions of Article 6 shall not apply if the Governing Board of the District determines that an emergency exists and that actions of the Governing Board otherwise could not take place. In such cases, a District official who has reason to believe they have a conflict of interest shall disclose such conflict as provided in Article 5.

Article 10. Effective Date

This policy shall become effective immediately upon its adoption by the Governing Board of the Lamoille FiberNet Communications Union District.

Approved and adopted at a regular meeting of the Governing Board of the Lamoille FiberNet Communications Union District held on the 14 day of July, 2020.

I have and read a copy of the Lamoille FiberNet CUD Conflict of Interest policy:

Signature

Date

Printed Name